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December 24, 2002

Ms. Marlene Dortch Secretary Federal Communications Commission 445 12th Street, SW, Room TWB-204 Washington, DC 20554

Re: Notice of Oral Ex Parte Communication, <u>In the Matter of Review of the</u>

Section 251 Unbundling Obligations of Incumbent Local Exchange

Carriers, CC Docket Nos. 01-338, 96-98 and 98-147

Dear Ms. Dortch:

Mike Pfau and the undersigned spoke this morning with Tom Navin, Jeremy Miller and Mike Engle of the Commission's Wireline Competition Bureau about the evidence that AT&T submitted regarding its dependence on ILEC high capacity loop facilities. As explained in AT&T's comments, even in those limited instances where AT&T has deployed a fiber ring, it still relies on the ILEC to provide "tails" from customers' premises to AT&T's fiber ring. As we discussed, for the "tail" portion of the network, AT&T provides a very small fraction of its DS-1 tails on its own facilities. A higher portion of its DS-3 tails are self-provided, but these facilities constitute a very small percentage of the total tails in AT&T's network and those facilities can be self-provisioned only when economically justified – i.e., when certain traffic thresholds are achieved as discussed in more detail in AT&T's prior ex parte on the cost of constructing loop facilities. In all other instances, where a third-party provider is not available, service can be provisioned only by utilizing the facilities of the ILECs.

Consistent with Commission rules, I am filing one electronic copy of this notice and request that you place it in the record of the above-referenced proceedings.

Sincerely,

Joan Marsh

cc: Thomas Navin Jeremy Miller